



Western Conference of Teamsters Pension Plan
An Employer-Employee Jointly Administered Pension Plan – Founded 1955

**Statement of Perry Adams, Participant in the
Western Conference of Teamsters Pension Trust Fund**

**House Committee on Ways and Means
Hearing on “Improving Retirement Security for America's Workers”**

February 6, 2019

Chairman Neal, Ranking Member Brady, and distinguished Members of the House Committee on Ways and Means (the “Committee”), my name is Perry Adams. I am a cement truck driver in Payson, Utah, and a proud member of Teamsters Local 222. I want to thank the Members of the Committee for holding this hearing, and for considering my views on the critical issues facing American pensioners seeking a secure retirement.

First, I would like to tell the Committee about myself. I was born and raised in Lehi, Utah, and currently reside in Payson, a city with a population of fewer than 20,000 people. My wife, Melody, and I celebrated our forty-year anniversary this past January. Together, we have two adult children, Brittany and Riley, and we are the proud grandparents of four. In my spare time, I enjoy working on my six-acre farm, on which I grow alfalfa and raise a mule and some chickens.

For about the last thirty-five years, I have operated a front-end discharge mixer at Geneva Rock, a company that was started in the 1950s. Geneva Rock employs 1,200 people across the Wasatch Front, one-third of whom have been with the company for more than fifteen years. I enjoy my line of work, but operating a front-end discharge mixer can be taxing: the hours are long and unpredictable, with shifts beginning as late as midnight and as early as 4:00 am. The work is physically demanding, frequently requiring me to move heavy equipment and climb onto and off of large machinery. The job requires stamina and persistent focus; when you are responsible for pouring cement out of a mixer, you better be sure to get it right. My job is hard, but it comes with fair pay and the promise of a pension that will provide a safe and secure retirement for me and my family. This promise has always been part of the bargain. In fact, I left a different cement company for Geneva Rock almost thirty-five years ago because that company did not offer the promise of a pension. This promise, of course, was not one-sided. In

exchange, I gave up earning a higher salary—sacrificing pay for the guarantee of a secure retirement. I am now sixty-two years old, and I plan on retiring in the near future with the peace of mind that I have earned a pension that my family and I can count on.

As this Committee is aware, a few large multiemployer pension plans are on the verge of insolvency, which in turn could affect the solvency of the Pension Benefit Guaranty Corporation (PBGC). Recognizing the need to address these issues, last year Congress formed the bipartisan Joint Select Committee on Solvency of Multiemployer Pension Plans to devise recommendations for improving the solvency of multiemployer pension plans and the PBGC. However, despite its efforts, the Joint Select Committee was unable to reach an agreement on how to address this crisis, and the challenges facing the multiemployer pension system persist.

The multiemployer pension crisis is serious, and it could impact the well-being of many hardworking Americans if left unresolved. However, although some plans are struggling, the majority of multiemployer pension plans are sound and providing retirement security to nearly six million workers, retirees, and their families. Today, I would like to tell you about one of these success stories.

The Western Conference of Teamsters Pension Trust Fund (the “WCTPT” or “Trust”) is the largest and most successful multiemployer pension plan in the country. For over 60 years, the Trust has provided substantial, secure retirement benefits to over 500,000 retirees. The WCTPT currently has over 610,000 active and inactive vested participants, including retirees, with participants or retirees in all 50 states and every U.S. Congressional district.

The Trust’s participant base has steadily grown over the past few years. The WCTPT had 214,644 active participants in 2017, and the number of active participants in the Trust has increased every year since 2013.¹ Between 2012 and September 2018, the Trust added over 16,400 new participants from new bargaining units, further expanding its participant base. Over 1,400 employers

¹ See Exhibit A (attached).

contribute to the WCTPT, hundreds of which are small businesses with only a few employees. Seventy-five percent of bargaining units consist of fewer than 50 Teamster employees—who are able to achieve a secure retirement by participating in the largest multiemployer pension trust in the country.

The WCTPT is well funded, with approximately \$42 billion in assets. The Trust has always been a sound plan, and it has a stable contribution base.² I am happy to report that the WCTPT’s Union and Employer Trustees have a long history of working together to promote the well-being of plan participants, and they are committed to managing the Trust in a transparent manner. For example, the full range of the WCTPT’s financial statements are publicly available on the Trust’s website, allowing participants, retirees, and any interested party to examine the WCTPT’s financial health with ease. The WCTPT is a sound, stable, and transparent multiemployer pension plan on which I, and hundreds of thousands of workers and retirees, rely to support the financial security of our families.

I urge this Committee to oppose composite plan legislation, such as the Give Retirement Options to Workers, or “GROW,” Act (H.R. 4997, 115th Cong. (2018)), that was introduced in the prior Congress. Composite plan legislation would change the funding rules for all multiemployer plans in a way that weakens the multiemployer pension system as a whole and threatens millions of Americans’ retirement security—including my own.

Legislation such as the GROW Act would drain contributions from existing plans to pay for new, “composite” plans—setting up both plans for failure. Existing plans would be allowed to “refinance” and pay off past plan liabilities over at least 25 years—10 years longer than the time currently allowed. Like refinancing a house with a new, longer-term mortgage, the existing plans’ funding requirements go down because the debt is paid off more slowly. The balance from this funding reduction is then used for the new composite plan. But with this reduced funding, both the existing plan and composite plan lack the ability to withstand a market downturn.

² See Exhibit B (attached).

Composite plan legislation also permits crippling cuts to workers' promised benefits and subjects retirees to devastating cuts to their pensions—and makes it easier to impose such cuts than ever before. A key component of composite plan legislation is authorizing plan trustees to cut retirees' benefits in the composite plan as long as the trustees believe there are no other “reasonable” options. The few procedural protections guarding plan participants in current law would be erased.

In addition, composite plan legislation makes it easier for employers to withdraw from pension plans without paying their fair share of the plan's liabilities. This is because the legislation would substantially lower employers' “withdrawal liability” by allowing employers—through “refinancing”—to cut their plan contribution rate, which is used in determining how much an employer must pay in withdrawal liability. As a result, the cost of withdrawing from a plan is less, and more employers would be incentivized to leave.

Further, composite plans also take aim at the PBGC. Indeed, the solvency of the PBGC would be jeopardized because composite plans are exempt from paying premiums—despite creating new, significant liabilities for the PBGC, due to the plan failures that will result from weakened plan funding. Finally, if enacted, composite plan legislation would cause workers to lose the safety net of PBGC insurance coverage and face the prospect of total benefit loss in the event of a plan failure.

Respectfully, I hope the Committee rejects any piece of legislation that weakens the multiemployer pension system. My fellow participants and retirees in the WCTPT strongly oppose the GROW Act and similar legislation. Over 40,000 people signed the WCTPT's petition urging Congress to oppose the GROW Act, and to instead support efforts to sustain and strengthen the multiemployer pension system in a way that protects the retirement security of workers and retirees—including those of us who depend on a healthy pension plan for our financial future.³

As this Committee considers proposals to improve the solvency of troubled multiemployer plans

³ See Exhibit C, Declaration of Michael Sander (attached); *see also* Exhibit D, WCTPT Petition (attached).

and the PBGC, I ask Members not to lose sight of retirees and workers, such as myself, who are in multiemployer pension plans that are sound and providing stable benefits. I urge the Committee to ensure that healthy plans remain sound, and that any new legislation does not hurt healthy plans or make it more difficult for them to succeed.

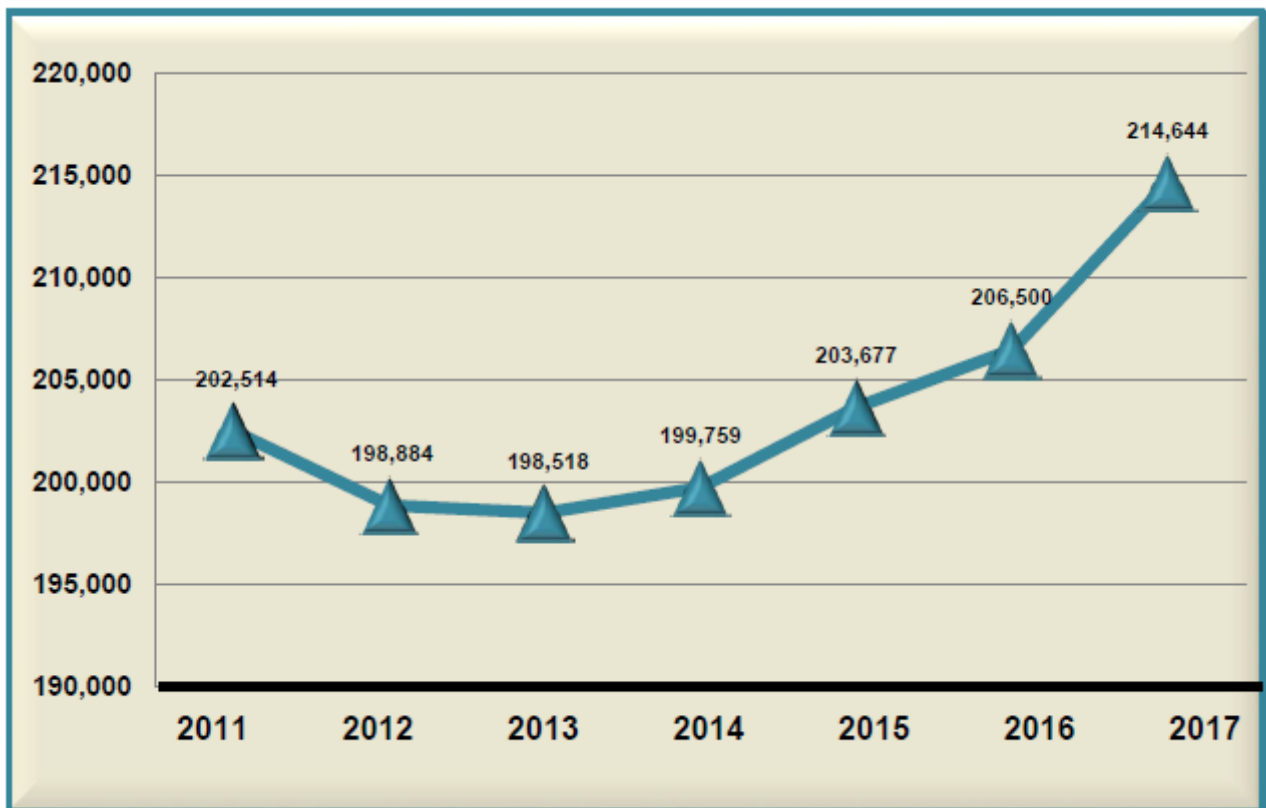
The WCTPT is fulfilling the promise of a secure retirement that was made to participants, retirees, and their families. The Trust has reliably delivered retirement benefits to hundreds of thousands of American workers and their families for more than half a century, and plans to do so into the foreseeable future.

Thank you again for the opportunity to share my views with this Committee.



WCTPT

Active Participants by Year

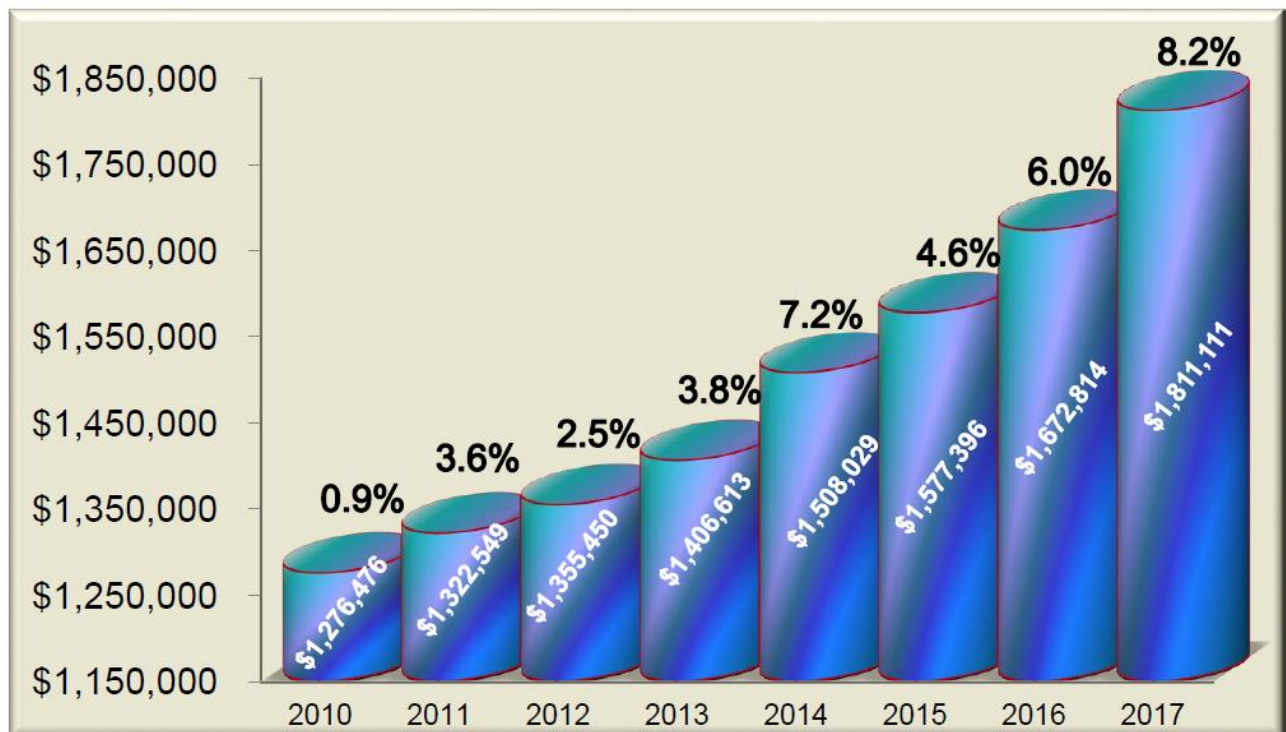




WCTPT

Employer Contributions History

(in 000's)



BEFORE THE HOUSE COMMITTEE
ON WAYS AND MEANS

DECLARATION OF MICHAEL SANDER

1. I am Senior Vice President at Northwest Administrators, Inc., a third-party administration services company that provides employee benefit plan administration and benefit claim processing services to clients throughout the Western United States. I am the Administrative Manager for the Western Conference of Teamsters Pension Trust Fund (WCTPT). As the Administrative Manager, I report directly to the WCTPT's Employer Chairman, Edward Lenhart, and Union Chairman, Chuck Mack.

2. I have personal knowledge of the facts set forth in this Declaration, which is made in support of the February 6, 2019 statement of Mr. Perry Adams to the House Committee on Ways and Means.

3. Attached as Exhibit D is a true and correct copy of the WCTPT's petition urging Congress to oppose the GROW Act (H.R. 4997, 115th Cong. (2018)) that is referenced in Mr. Adams's statement (the "WCTPT petition").

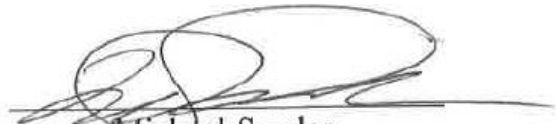
4. I personally supervised our staff who gathered and counted the signed WCTPT petitions that have been received by the WCTPT.

5. As of the date of this Declaration, over 40,000 individuals have signed the WCTPT petition.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

EXHIBIT C

Executed on February 1, 2019, in Seattle, Washington



Michael Sander

SUPPORT FAMILIES IN MULTIEMPLOYER PENSION PLANS

OPPOSE THE GROW ACT

We, the undersigned, workers and retirees in the Western Conference of Teamsters Pension Trust Fund (WCTPT), urge you to oppose the Give Retirement Options to Workers (GROW) Act (H.R. 4997). This legislation weakens the entire multiemployer pension system, putting our retirement security, and that of millions of other Americans, at risk.

WCTPT is the largest and most successful multiemployer defined benefit pension plan in the nation. WCTPT provides retirement security to over 600,000 families in all 50 States and nearly every congressional district. We rely on the WCTPT and the current multiemployer pension system as critical components to support the financial well-being of our families.

The GROW Act would change the rules for multiemployer pension plans in ways that weaken the system as a whole and threaten our retirement security:

- First, the bill would drain contributions from existing multiemployer plans to fund new composite plans—setting up both plans for failure and putting our retirement benefits at risk.
- Second, the bill would permit draconian cuts to workers' promised benefits and subject retirees to devastating cuts to their pensions.
- Third, the GROW Act would make it easier for employers to withdraw from pension plans without paying their fair share of the plan's liabilities.
- Fourth, the bill undermines the solvency of the Pension Benefit Guaranty Corporation (PBGC) because composite plans would be exempt from paying premiums, despite creating significant new liabilities for the PBGC due to the plan failures that would result from weakening plan funding.
- Finally, under the GROW Act, workers lose the safety net of PBGC insurance coverage and face the prospect of total benefit loss in the event of a plan failure.

We strongly urge you to oppose the GROW Act and to instead support efforts to sustain and strengthen the multiemployer pension system in a way that protects the retirement security of millions of American workers and retirees, including those of us who depend on a healthy WCTPT for our financial future.

Sincerely,

EXHIBIT D